HYBRID ELECTRIC VEHICLE REBATE PROGRAM FACT SHEET 3/1/05

Background

The Energy Office of the Arkansas Department of Economic Development has established the Hybrid Electric Vehicle Rebate Program. This program provides an incentive to **Arkansas State agencies** to purchase new hybrid electric vehicles.

For the purposes of this program, "**hybrid electric vehicles**" generate and use electricity as an alternative fuel with advantages to both reduce pollution and significantly increase mileage. These vehicles have the following characteristics:

- a **hybrid** (**gas/electric**) **drive train**. In a "full hybrid" the gas engine is off when idling. To start from a quiet stop, the electric power is used, delivering full and immediate speed. This improves performance while significantly reducing pollution in stop-and-go city driving.
- **regenerative braking**. Part of the energy from applying the breaks charges the battery.
- an **energy storage device** (battery) with an on-board charging system—the gas engine plus regenerative breaking are both used to charge the battery.

Other attributes typically include: lighter overall weight, more aerodynamic design, smaller gas engines and low-rolling resistance tires. This combination allows a "full hybrid" vehicle to get up to twice the gas mileage of conventional cars while reducing nitrogen oxides by 90%, carbon monoxide by 76%, particulate matter by 50% and reducing non-methane organic gases by 92%.

Hybrid-electric vehicles that currently qualify for this rebate program include the 2004 or later Toyota PriusTM, Ford EscapeTM, Honda CivicTM, Honda AccordTM and Honda InsightTM. These hybrid electric vehicles combine high fuel efficiency, longer life-cycle, lower maintenance costs, lower emissions and higher resale value.

Note: Other vehicles scheduled for release in the 2005 through 2008 model years may use the "hybrid" label, but may not offer all three technologies mentioned above, and may not have the capability for substantial energy savings and pollution reduction. When performance information becomes available, these vehicles will be added to the list if they qualify.

Guidelines

- The applying Arkansas State agency will be eligible for a rebate equivalent to the amount of the sales tax paid for the hybrid vehicle. To receive a sales tax rebate, an Arkansas State agency must send a completed application form, along with a statement of the amount of sales tax paid, e.g. AASIS printout, letter, copy of warrant, etc., and a copy of the state vehicle registration to the address shown at the bottom of the application form.
- An application for funds from this program must be made within six (6) months of the delivery and registration of the vehicle.
- The Arkansas Energy Office reserves the right to inspect the vehicle with prior notification.
- Applications are available from the Arkansas Energy Office. Call 1-800-558-2633 or download an application on the AEO website: www.1800arkansas.com/energy/hybrid_rebate.

Note: Rebates are available on a first-come, first-serve basis until available funds are exhausted so please check with the Energy Office for availability of funds prior to purchase of the vehicle.